

**Washington State Auditor's Office**  
**Accountability Audit Report**

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**City of Blaine**  
**Whatcom County**

Audit Period  
**January 1, 2002 through December 31, 2003**

**Report No. 67538**

Issue Date  
**November 19, 2004**



Washington  
***State Auditor***  
Brian Sonntag

# Audit Summary

**City of Blaine  
Whatcom County  
January 1, 2002 through December 31, 2003**

## ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of the City of Blaine for the period January 1, 2002, through December 31, 2003.

We performed audit procedures to determine whether the City complied with state laws and regulations and its own policies and procedures. We also evaluated the internal controls established by City management. Our work focused on specific areas that have potential for abuse and misuse of public resources.

## ***RESULTS***

In most areas, the City complied with state laws and regulations and its own policies and procedures and internal controls were adequate to safeguard public assets. However, we reported some issues directly to management.

## ***RELATED REPORTS***

Our opinion on the City's financial statements is provided in a separate report, which includes the City's financial statements.

## ***CLOSING REMARKS***

We appreciate the City's prompt attention to resolving prior audit issues and its commitment to ensuring compliance with conditions reported this audit. We thank City officials and personnel for their assistance and cooperation during the audit.

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# Description of the City

## City of Blaine Whatcom County January 1, 2002 through December 31, 2003

### ***ABOUT THE CITY***

The City of Blaine serves more than 4,000 citizens in Whatcom County and is administered by a mayor-council form of government. The City has seven elected Council Members who appoint the Mayor from within the Council. The Council appoints other positions including Judge, City Attorney and City Manager. The City Manager is responsible for hiring the Police Chief, City Clerk, Public Works Director, Planning Director and Finance Director. The City has more than 60 employees and provides public safety, fire protection, street improvements, parks and recreation, and general administrative services. In addition, the City owns and operates electric utility, water utility and sewer utility systems.

### ***AUDIT HISTORY***

The City is audited every two years. This audit marks the seventh consecutive year no findings were reported for the City.

### ***ELECTED OFFICIALS***

These officials served during the audit period:

Mayor  
Council:

Dieter Schugt  
Bonnie Onyon  
John Liebert  
Ken Ely  
Bruce Wolf  
Mike Myers  
Marsha Hawkins

### ***APPOINTED OFFICIALS***

City Manager  
City Attorney  
Municipal Court Judge

Gary Tomsic  
John Sitkin  
Mike Bobbink

### ***ADDRESS***

City

344 H Street  
Blaine, WA 98231  
(360) 332-8311

# Audit Areas Examined

## City of Blaine Whatcom County January 1, 2002 through December 31, 2003

In keeping with general auditing practices, we do not examine every portion of the City of Blaine's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the City were examined during this audit period:

### ***ACCOUNTABILITY FOR PUBLIC RESOURCES***

We evaluated the City's accountability in the following areas:

- Cemetery revenues
- Building permit revenues
- Insurance coverage
- Cash disbursements
- Utility revenues
- Municipal Court

### ***LEGAL COMPLIANCE***

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Conflicts of interest
- Debt covenants
- Limitation of indebtedness
- State grants
- Budget requirements
- Hotel/motel tax revenues

### ***FINANCIAL AREAS***

Our opinion on the City's financial statements is provided in a separate report. That report includes the City's financial statements and other required financial information. We examined the financial activity and balances of the City including:

- Cash and investments
- Revenues
- Expenditures
- Long-term debt
- Overall presentation of the financial statements